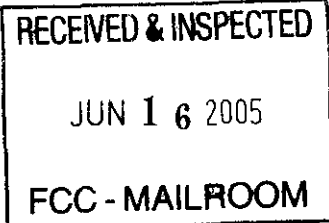


VIA OVERNIGHT DELIVERY

June 15, 2005

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554



Re: US LEC Corp. and its Operating Subsidiaries
System Audit Report
CC Docket No. 96-128

Dear Ms. Dortch:

On behalf of US LEC Corp. and its operating subsidiaries¹ (collectively, "US LEC") and in accordance with the requirements of Section 64.1320(b) of the Commission's rules, enclosed is US LEC's System Audit Report. The System Audit Report consists of two elements as required by Section 64.1320(d) of the Commission's rules:

1. US LEC's representation of compliance; and,
2. The opinion of Dixon Hughes PLLC, an independent auditor, concerning the representation.

Pursuant to Section 64.1320(e) of the Commission's rules, the US LEC employee responsible for tracking, compensating and resolving disputes concerning payphone-completed calls:

Jonathan Pillsbury
US LEC Corp.
6801 Morrison Boulevard
Charlotte, NC 28211
Direct Dial: (704) 319-1024
E-mail: jpillsbury@uslec.com

No. of Copies 0
List Attached

¹ US LEC Communications Inc.; US LEC of Alabama Inc.; US LEC of North Carolina Inc.; US LEC of South Carolina Inc.; US LEC of Florida Inc.; US LEC of Tennessee Inc.; US LEC of Virginia LLC; US LEC of Maryland Inc.; US LEC of Pennsylvania Inc.; and, US LEC of Georgia Inc.

US LEC uses a clearinghouse to process its payphone compensation:

National Payphone Clearinghouse
201 East Fourth Street, 102-980
Cincinnati, OH 45201-2301

In accordance with Sections 64.1320(b) and 64.1320(e), US LEC is providing a copy of the System Audit Report and this letter to the National Payphone Clearinghouse to be posted on its website at www.npc.cc.

Finally, enclosed is a proof of filing copy of this letter that we ask that you date stamp and return to us in the enclosed self-addressed, postage prepaid envelope.

Please direct any questions to the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Romine", written over a horizontal line.

Terry J. Romine
Deputy General Counsel – Regulatory

Enclosures



DIXON HUGHES PLLC

Certified Public Accountants and Advisors

INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
US LEC Corp.
Charlotte, North Carolina

We have examined the assertions of the management of US LEC Corp. (US LEC), included in the accompanying letter, that the payphone service provider compensation procedures of US LEC comply with the Federal Communications Commission's Rule Section 64.1310 (47 C.F.R. § 64.1320(d)) as of June 2, 2005. Management is responsible for the assertions. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting management's assertions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, management's assertions referred to above are fairly stated, in all material respects, based on the Federal Communications Commission's Rule Section 64.1310 (47 C.F.R. § 64.1320(d)), as of June 2, 2005.

Dixon Hughes PLLC

June 2, 2005

103 Dorsett Drive, PO Box 1945
Salisbury, NC 28145-1945
Ph. 704.636.9090 Fx 704.639.0047
www.dixon-hughes.com

A Member of
Moore Rowland International
An association of independent
accounting firms throughout the world.

US LEC

voice / data / Internet

June 2, 2005

Dixon Hughes PLLC
103 Dorset Drive
P.O. Box 1945
Salisbury, NC 28145-1945

Re: US LEC System Audit Report of Pay Telephone Compensation
FCC Rule Section 64.1310 (47 C.F.R. § 64.1320)

In accordance with the requirements found in Section 64.1320(d) of the Federal Communications Commission's rules (47 C.F.R. § 64.1320(d)), US LEC Corp., on its behalf and on behalf of its operating subsidiaries¹ (collectively, "US LEC") makes the following representations regarding its compliance with the payphone service provider ("PSP") compensation procedures as of June 2, 2005:

1. US LEC's procedures accurately track calls to completion. Each call record, which is information on usage that is captured and recorded at the applicable US LEC switch, has a code that identifies a call that originates from a payphone. The call data records are created for processing utilizing this identifying code:
 - a. If answer supervision occurs and the call record reflects conversation recorded time of more than zero (0), US LEC deems that call to have been completed;
 - b. If the call record has conversation recorded time of zero (0), US LEC deems that the call has not been completed and is not a compensable call.
 - c. In addition, if the originating number has not been provided by the previous carrier and the originating number is all zeros, US LEC deems this call as non-compensable.

¹ US LEC Communications Inc.; US LEC of Alabama Inc.; US LEC of North Carolina Inc.; US LEC of South Carolina Inc.; US LEC of Florida Inc.; US LEC of Tennessee Inc.; US LEC of Virginia LLC; US LEC of Maryland Inc.; US LEC of Pennsylvania Inc.; and, US LEC of Georgia Inc.

- b. National Payphone Clearinghouse needs the following information from the PSP in order to submit US LEC's compensation to them:
 - i. Payphone numbers used by the PSP;
 - ii. Current address and contact number of PSP; and
 - iii. Email address to which quarterly data should be sent.
- 6. US LEC has contracted with the National Payphone Clearinghouse to incorporate call data into required reports and National Payphone Clearinghouse has procedures to so incorporate the call data into required reports, and such reports are provided to US LEC for review on a quarterly basis.
- 7. US LEC has implemented procedures and controls needed to resolve disputes.
- 8. The independent third party auditor can test all critical controls and procedures to verify that errors are insubstantial.
- 9. US LEC has adequate and effective business rules for implementing and paying payphone compensation including rules used to:
 - a. Identify calls originated from payphones;
 - b. Identify compensable payphone calls, and
 - c. Identify incomplete or otherwise non-compensable payphone calls.

US LEC has contracted with the National Payphone Clearinghouse to identify the payphone service providers to which US LEC owes compensation and relies on the National Payphone Clearinghouse to have adequate and effective business rules to determine such identities. US LEC has reviewed the Report on Policies and Procedures of the National Payphone Clearinghouse for compensation of the PSPs and the auditor's report,² and found the National Payphone Clearinghouse to have adequate and effective business rules for determining the identities of the PSPs to which US LEC owes compensation.

² NPC 2005 SAS 70 (KMPG LLP, Auditor – for the period 1/10/04 – 3/31/05) published at <http://www.npc.cc>.

2. US LEC has a person responsible for tracking, compensating and resolving disputes concerning payphone-completed calls:

Jonathan Pillsbury
US LEC Corp.
6801 Morrison Boulevard
Charlotte, NC 28211
Direct Dial: (704) 319-1024
E-mail: jpillsbury@uslec.com

US LEC uses a clearinghouse to process its payphone compensation:

National Payphone Clearinghouse
201 East Fourth Street, 102-980
Cincinnati, OH 45201-2301

3. US LEC has effective data monitoring procedures:
 - a. US LEC maintains a data warehouse containing detailed call records. The data is maintained for 13 months, after which the data is stored via tape and can be accessed if needed.
 - b. There is weekly monitoring by the Billing Assurance team to ensure that all usage is captured, recorded and billed from the switches. Trending reports are reviewed to ensure accuracy.
 - c. There is daily monitoring by the IT/IS organization to ensure we are retrieving, processing and storing all files from the switches.
4. US LEC adheres to established protocols to ensure that any software, personnel or other network changes do not adversely affect its payphone call tracking ability.
5. US LEC has contracted with the National Payphone Clearinghouse to create compensable payphone file by matching call detail records against payphone identifiers and National Payphone Clearinghouse creates such files:
 - a. National Payphone Clearinghouse receives from the PSP their requests for compensation, which includes the Automatic Number Identifier of its payphone(s), and matches this request against the data provided by US LEC.